

The complaint

A company that I'll refer to as N complains that Hiscox Insurance Company Limited turned down a claim on their commercial insurance policy.

X, a director of N, has complained on N's behalf.

What happened

N has a pickup which has a covered back. The shell for the back of the pickup has tinted windows and N had left tools in the back covered by a tarpaulin. N's pickup was broken into and tools stolen so N claimed on its policy with Hiscox for the stolen items.

Hiscox reviewed the claim and turned it down. It said the items were not completely hidden from view as they were in only covered by a tarpaulin and so not completely hidden from view. N disagreed and complained, they said the pickup had tinted windows and the items were covered by a heavy tarpaulin and so were hidden from view. Hiscox reviewed the complaint and didn't uphold it. As N didn't think Hiscox had turned down the claim fairly they referred the complaint here.

Our investigator reviewed the complaint and recommended it be upheld. She found the policy didn't define what completely hidden meant. She also found that N had covered the tools with a heavy tarpaulin and were in the back of the locked pickup which had tinted windows and so N thought they'd completely hidden them from view. She therefore asked Hiscox to pay the claim in line with the remaining terms and conditions of the policy.

Hiscox disagreed, it said the items weren't found to be completely hidden from view as you can see through the tinted windows and the tools being covered by a tarpaulin wouldn't be enough to hide them.

As Hiscox disagreed the complaint has come to me to decide.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

The term Hiscox has relied upon to turn down N's claim says:

"We do not cover:...

e. theft from an unattended vehicle unless the item is completely hidden within the storage compartment, locked boot or locked trailer of the vehicle and all security measures on the vehicle or trailer are fully operational"

I understand Hiscox believes the items stolen were not hidden from view and that is why they

were stolen. However I'm not persuaded that is what happened here and also need to consider that a pickup or other type of vehicle maybe targeted by a thief for another reason.

The policy terms and conditions don't define what completely "hidden" means and therefore I've looked at the ordinary use of the word and think it's fair and reasonable to say something is hidden when it's out of sight.

N's explained that they believe the items were completely hidden from view as the pickup had tinted windows and the items were covered, meaning they were out of sight. When looking at the pictures of the pickup and how the tarpaulin was applied, I'm satisfied N took reasonable care to ensure the items were covered up, and I think it's fair and reasonable to conclude that they were completely hidden in this particular case.

As the items were completely hidden, I don't think the exclusion applies and therefore I'm not persuaded Hiscox has acted fairly and reasonably in this particular case by declining the claim. To put things right Hiscox's needs to pay the claim in line with the remaining terms and conditions. It should also add 8% simple interest per year to the amount it pays for the claim to compensate N for not having the money. This should be calculated from the date of claim until the date payment is made.

My final decision

For the reasons explained above, my final decision is that I uphold this complaint. I require Hiscox Insurance Company Limited to pay N's claim in line with the remaining terms and conditions of the policy. Hiscox Insurance Company Limited also needs to add 8% simple interest per year to the amount it pays under the claim calculated from the date of claim until the date payment is made.

Under the rules of the Financial Ombudsman Service, I'm required to ask N to accept or reject my decision before 14 October 2022.

Alex Newman
Ombudsman